

STATEMENT OF ISABEL REIFF
SENIOR VICE PRESIDENT – ICF INTERNATIONAL, INC.
BEFORE
THE SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY
OF THE HOUSE COMMITTEE ON FINANCIAL SERVICES
FIELD HEARING IN NEW ORLEANS, LOUISIANA
FEBRUARY 22, 2007

Good afternoon, Chairwoman Waters, and Members of the Housing and Community Opportunity Subcommittee. Welcome to New Orleans.

I am Isabel Reiff, Senior Vice President of ICF International, Inc. and the Deputy Program Manager for the Louisiana Road Home Program.

I am pleased to have the opportunity to participate in this hearing, and I look forward to describing for you today ICF's role (which has often been misunderstood) in the implementation of the State of Louisiana's Road Home Program.

Let me start by providing you with a brief history of ICF. ICF was founded as the Inner City Fund in 1969 to provide quantitative analysis and implementation advice on public policy issues facing inner city communities across the United States. In the ensuing 38 years, ICF has become a global corporation servicing Federal, State, and local governments, in addition to its commercial and international clients around the world. ICF has decades of experience with the Community Development Block Grant (CDBG) programs of the Department of Housing and Urban Development (HUD). We have also been intimately involved with major housing disaster recovery projects and emergency response-related work, all of which, of course, is relevant to

our important work on the Road Home program here in Louisiana. ICF currently employs over 2,000 employees in the United States and abroad.

Madam Chairwoman, the level of devastation caused by Hurricanes Katrina and Rita is unparalleled in the history of this country. Over 780,000 families were displaced from their homes. Over 123,000 homes suffered major or severe damage. An additional 82,000 rental units endured a similar fate. More than 18,000 businesses were destroyed. Insured losses exceeded \$25 billion. And, in just the first six months after these storms, workers removed over 25 times more debris from Louisiana than was removed from the World Trade Center site. In short, the lives of countless American citizens along the Gulf Coast were devastated by these powerful hurricanes.

Responding to this crisis, the Congress provided \$6.2 billion in Community Development Block Grants to the State of Louisiana on December 30, 2005, and an additional \$4.2 billion on June 15, 2006, for a total of \$10.4 billion for community development recovery efforts. Of this amount, the State is using \$8.08 billion for the purpose of providing assistance to homeowners and renters whose dwellings were damaged by these hurricanes and for special needs housing. The State of Louisiana, in turn, established the Louisiana Recovery Authority (LRA), an organization consisting of 33 state and national leaders appointed by the Governor of Louisiana, Kathleen Babineaux Blanco. In coordination with the State of Louisiana, the LRA developed the Road Home program, which it unveiled for public comment in an Action Plan in April of 2006. The Road Home program was subsequently submitted to, and approved in May of 2006 by, the Louisiana Legislature. After all of these necessary approvals were obtained on the State level, the plan was submitted by Governor Blanco to the Secretary of HUD for final Federal approval –

which was initially given in late May of 2006. The State subsequently revised the Road Home Action Plan to clarify its design as a compensation program. The revision was approved in July.

The Road Home Action Plan specified the requirements for both a program to assist homeowners and a program to assist renters. The homeowner component is intended to provide financial assistance up to \$150,000 for each of the estimated 125,000 homeowners whose homes were damaged or destroyed. The rental program has two components – a Small Property Rental Program of \$869 million for reconstruction of up to 18,000 units in small-scale rental buildings and a program to augment resources provided through Federal Low Income Housing Tax Credits to promote mixed income developments and provide affordable units to very low income households.

On April 11, 2006, the State of Louisiana released a Solicitation for Offers (SFO) seeking proposals from private companies to implement the homeowner and Small Property Rental Program components of the Road Home program in accordance with the State's requirements, as approved by HUD. The SFO set forth in significant detail the terms, conditions and time lines for the Road Home program, including the Road Home Action Plan, that had been developed by the State of Louisiana and which the successful bidder would be contractually obligated to implement. It is worth noting that the SFO originally contemplated a five year program. Seven firms, including ICF, responded on April 28, 2006. Three finalists, including ICF, were selected in May of 2006, and, after rigorous review by the State of Louisiana, the LRA and the Louisiana Board of Ethics, ICF was selected as the Road Home contractor on June 9, 2006. We signed a three-year contract with the State on June 30, 2006 to implement the Road Home program in three distinct phases, as required by the State.

Phase 1 of the Road Home contract covered the period from June 30, 2006 through October 11, 2006, and included the following start up tasks:

1. Establishment of 10 Housing Assistance Centers throughout the State of Louisiana by August 29, 2006,
2. Hiring and training of Road Home program staff to take applications and run the program,
3. Implementation of a pilot project to fully develop the Road Home homeowner application and the steps necessary to process the voluminous number of anticipated applications, and
4. Planning with the State for the implementation of the Small Property Rental Program components of the Road Home program.

During this period, the State made wide ranging adjustments to the Road Home homeowner program as a result of “lessons learned” from the pilot program. ICF completed Phase 1 of the contract by October 11, 2006, as required by the Road Home contract.

Phase 2 – Implementation and Phase 3 – Wind Down of the Road Home contract were signed by ICF and the State of Louisiana on October 18, 2006. Phase 2 is the production phase of the contract under which applications from homeowners are processed and funds disbursed to eligible applicants. This implementation phase of the homeowner program has now been underway for just four months, and also includes the launch and implementation of the Small Property Rental Program. The rental program was initiated on January 29, 2007 – some 7 weeks ahead of the contractually-mandated date. As one indicator of interest in the program, in just the few weeks since the launch of the Small Property Rental Program, over 30,000 applications have been downloaded from the Road Home website.

As we geared up the production phase of our work, we made sure to include a significant number of Louisiana companies and residents on our team. In fact, 70% of the work on this contract has been subcontracted (under an open and competitive process) to Louisiana-based companies and 14% of the work has been awarded to minority, small or women-owned businesses. Of our 2,000 full time employees working on the Road Home Program, 84% are Louisiana residents, 70% were affected by the hurricanes, and 47% are African-American. I want to assure the Subcommittee that these Louisiana employees provide us with a true sense of urgency as we work to assist their fellow Louisianians who were displaced from their homes. We thank them for their selfless commitment to this vitally important program.

Originally, we contemplated the completion of accepting all Road Home homeowner applications, finishing all award calculations for eligible applicants, and closing on all of these transactions by the end of 2008. We now project that much of this work will be done, and most closings held, by the end of this calendar year, a year earlier than the original schedule. I should point out that the State of Louisiana and the Federal government have required strict auditing processes to prevent identity and application fraud, including substantial third party verification of data submitted by applicants. The entire process involves 12 specific steps designed by the State and the LRA, which are outlined in some detail on Attachment A to my testimony.

Now, Madam Chairwoman, let me turn to a description of the number of people that we have seen and processed through the Road Home homeownership program in the short four months of the implementation phase of this contract. As of February 18, 2007, we have received 108,751 applications and have scheduled or held appointments with 79,597 of these applicants. We have calculated benefits of \$3.37 billion for 42,082 applicants. The average benefit calculation is \$81,448. We have held 749 closings and project that we will see a significant

increase in closings over the next weeks and months. In fact, we have advised the State that we expect to have held a total of 2,690 closings by the end of February and that we project the closings to accelerate appreciably thereafter. I want to assure you that we are doing everything in our power to process these applications and disburse the funds to the people of Louisiana as soon as possible, within, of course, the requirements of the State of Louisiana under the Road Home contract and the requirements of State and Federal law.

Although many articles have been written about the results of the homeownership portion of the Road Home program to date, it must be remembered that this program has been in operation for a little over four months. Changes have been made to improve the process. We continue to make changes that will expedite the process. We have recently changed the home appraisal methods to expedite the application process. We have hired additional personnel. We are prepared to make further changes if and when the State of Louisiana asks us to do so. But, we should all be clear that ICF has to adhere to State and Federal requirements while implementing the Road Home program. We are doing our level best to comply with these requirements and to provide Road Home grants to eligible applicants as quickly as we possibly can. We are committed to working with Federal, State and local officials to make the Road Home program a success.

Chairwoman Waters, thank you for allowing me to participate in today's hearing on behalf of ICF International, Inc. I would ask that an ICF International brochure explaining the Road Home Program in greater detail be included as part of the record of today's hearing.

Thank you very much. I would be pleased to answer any questions that you and Members of the Subcommittee may have.

CURRENT RESUME FOR ISABEL REIFF

ISABEL REIFF

SENIOR VICE PRESIDENT – ICF INTERNATIONAL, INC.

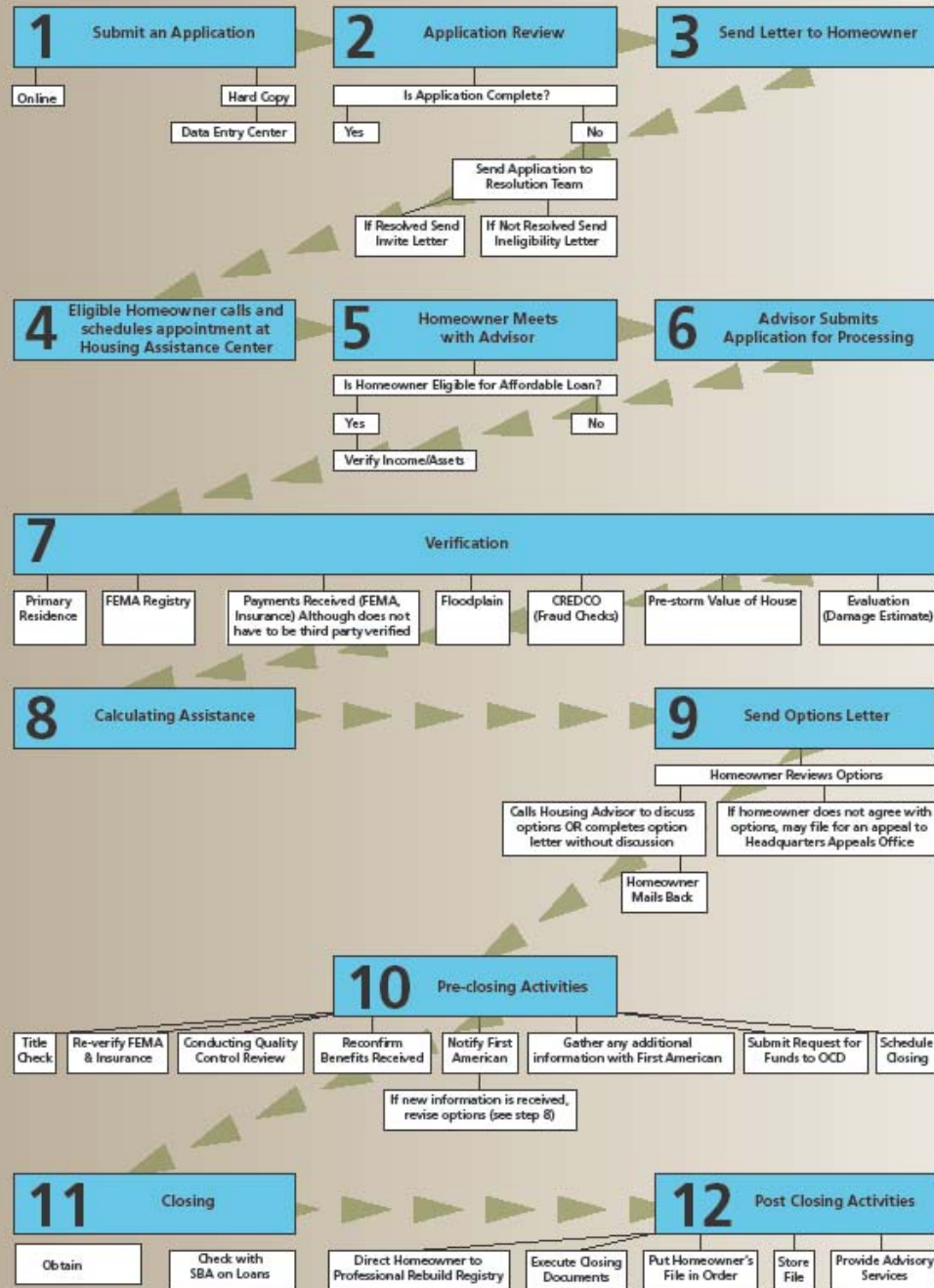
SOCIAL PROGRAMS & STRATEGIC COMMUNICATIONS

Isabel Reiff joined ICF International in 1989 and brings nearly 35 years of experience in public policy consulting and program implementation including work for local government in California and the Federal government. She manages ICF's Social Programs and Strategic Communications Practice and has served as project manager on numerous contracts for state and Federal clients. She holds a B.A. in Art History from Mount Holyoke College and a M.A. in Architecture and Urban Planning from the University of California, Los Angeles.

Attachment A



HOMEOWNER ASSISTANCE PROGRAM



www.road2LA.org
1.888.ROAD.2.LA

(1.888.762.3252)
TTY callers use 711 relay or 1.800.846.5277

Program Sponsored by:



Program Funded by:
U.S. Department of Housing
and Urban Development

Hurricane Katrina Federal
Task Force Hotline
1.866.725.5721

Governor Kathleen
Babineaux Blanco's
Road Home Program

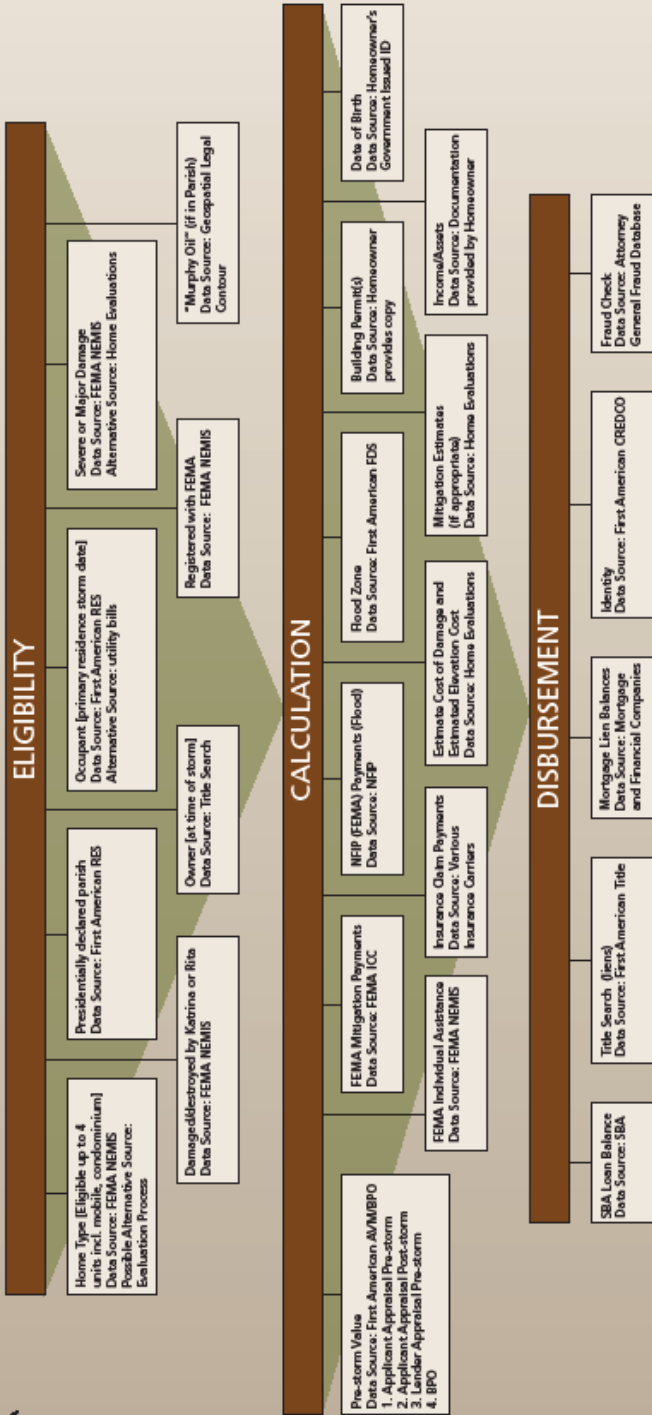


Housing centers are accessible
and reasonable accommodations
will be provided as requested.



HOMEOWNER ASSISTANCE PROGRAM: STEP 7 - VERIFICATION

STEP 7 - Verification



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Governor Kathleen Babineaux Blanco's Road Home Program

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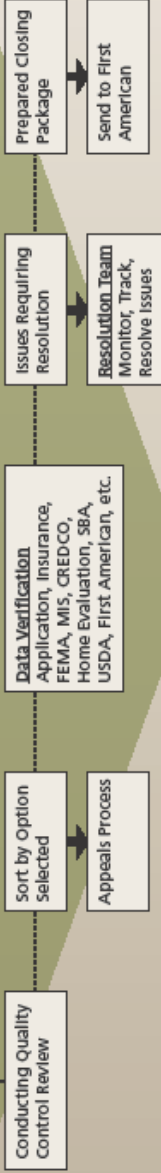


HOMEOWNER ASSISTANCE PROGRAM

STEP 10: Preclosing Activities & STEP 11: Closing

STEP 10

PRE-CLOSING ACTIVITIES



STEP 11

CLOSING



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